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THE CHRISTIAN SCIENCE MONITOR
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US offers 'Marshall Plan' to Caribbean to check Soviets

By James Nelson Goodsell
Latin America correspondent of
The Christian Science Monitor

The Reagan administration believes that a United States-supported Marshall Plan for the Caribbean is an idea whose time has long since come.

There is, indeed, a sense of urgency about such an aid program — a feeling that the US must quickly find ways to counter what the administration sees as growing Cuban and Soviet inroads into the area.

During the past month, administration officials have quietly laid the groundwork for a broad Caribbean aid package reminiscent of the Marshall Plan that revitalized Western Europe at the end of World War II. President Reagan has all along supported the idea of US aid to Caribbean islands. He stressed this point again at a top-level White House meeting this week.

The core of the program, administration planners say, would be economic aid, which may total a billion dollars or more by the mid-1980s. But it would also include political and military assistance, according to State Department sources.

The aid package might well take on a multinational approach, with oil-producing nations like Mexico and Venezuela contributing to the venture. Preliminary talks on the issue have taken place with both place.

The subject is expected to come up during President Reagan's meetings next week in Washington and Camp David with Mexican President José López Portillo. But a Mexican role in the project is viewed as a long way off.

The administration has informally conveyed some of its thinking to the Caribbean governments in question — and in particular to Jamaica, where Prime Minister Edward Seaga privately has indicated strong support for massive aid.

Administration planners see Jamaica as the bulwark of its Caribbean strategy, a nation whose dramatic about-face in elections last October brought the pro-US and pro-business Mr. Seaga to power in a massive landslide. Seaga trounced a pro-Cuba government headed by socialist Michael Manley.

The administration has already provided \$69 million in aid to Jamaica under Mr. Seaga.

But the planning under way is not limited to piecemeal aid programs to one or two islands. It seeks to find ways to bolster the whole Caribbean area with massive projects — for example, with desalination plants and aid to small industry that fits the size of the islands. It may even include tourism-building programs aimed at drawing North Americans and Europeans.

The quiet nature of the planning suggests to Washington observers that the administration does not want to take away from President Reagan's focus on his domestic economic package. They recall the early flurry over El Salvador in February, which diverted attention from the economic proposals and may have slowed the effort to win congressional approval of them.

But more aspects of the administration's Caribbean views and strategy are beginning to unfold.

Vice-President George Bush recently told a lunch group that the economies of the Caribbean islands "cannot be sustained without increased trade [and] private investment to expand their economic opportunity. . . . Their very independence may depend on such assistance."

Secretary of State Alexander M. Haig Jr. said "additional measures" must be taken "not in an exclusively security-oriented fashion, but rather with a clear awareness that we must also deal with the situations, the cause, effects, that make insurgency and external interventionism possible and acceptable in the target areas."

It is too early to determine just how the strategy will develop, however, and there is still a great deal of debate about it within administration inner circles.

Two preliminary discussions at recent National Security Council meetings ended with the subject being sent back to the drawing boards — and with some of the planners being told to do more homework on the issue. But there is little question that there is going to be a Reagan program for the region.

Proposals for a major Caribbean aid program are not new. They go back to the 1950s. Then, in the 1960s, President Kennedy's Alliance for Progress was designed to help resolve Latin America's economic and social dilemmas and to counter some of Fidel Castro's appeal.

In 1978 the Carter administration considered a Caribbean aid program, but it never got off the ground. The Carter team's failure in this area may have been due in part to the inability of his administration to figure out just what the Cubans and the Soviets were up to in the region.

Moreover, the Carter administration was unable to determine how visible the US should be in the Caribbean and whether and how it should compete with the ubiquitous Cubans. At first Carter's men sought to do business with Cuba. Later they adopted a contrary policy, yet they were never happy with that decision.

In contrast, there is no hesitation on the part of the Reagan administration. It sees the Caribbean as an area of opportunity for the US. The program under study is aimed at more than the sagging economic and social fortunes of the islands; the administration wants to undercut Cuba.

Many island leaders, including Mr. Seaga, view the planning in Washington as boding nothing but good for their economies. Seaga has informed Gen. Vernon A. Walters, the former deputy director of the Central Intelligence Agency, of this. Walters has become something of a State Department roving ambassador in Latin America.

General Walters has made three quiet trips to the Caribbean in recent weeks to discuss local issues with people like Prime Minister Seaga. The result is that Washington is getting a steady flow of ideas from the Caribbean itself as it goes about the task of mapping its aid package for the region.

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THE WASHINGTON STAR (GREEN LINE)
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Retired Gen. Vernon Walters Is Named Ambassador at Large

By Jeremiah O'Leary
Washington Star Staff Writer

President Reagan yesterday nominated retired Army Lt. Gen. Vernon A. Walters, former deputy director of the CIA, to be an ambassador at large.

Walters, 63, has already been carrying out unheralded missions for the Reagan administration, including one to Guatemala to improve relations between the United States

and Guatemala's president, Gen. Romeo Lucas.

Walters was No. 2 man at the CIA from 1972 to 1976 and came into some conflict with the Nixon White House shortly after the Watergate scandal began to unfold.

A short time after the break-in at the Watergate offices of the Democratic National Committee in June 1972, Walters and his CIA superior, Richard Helms, were called to the White House by aides of President Nixon.

Walters later testified that the White House wanted him to tell the FBI not to look too deeply into some aspects of the Watergate case because it might expose certain CIA operations.

Walters has served as a negotiator with foreign governments under the Truman, Eisenhower and Nixon administrations. He played a key role in the Paris peace talks on the Vietnam war.

Since early this year Walters has been a senior adviser to Secretary of State Alexander M. Haig Jr., for whom he will act as a troubleshooter in his new assignment.

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NEW YORK TIMES
5 JUNE 1981

Reagan to Name General Walters To Be an Ambassador at Large

WASHINGTON, June 4 (AP) — Vernon A. Walters, a retired lieutenant general who has already made several unannounced foreign trips for the Reagan Administration, will be nominated to be an ambassador at large, the White House announced today.

General Walters, 64 years old, a former deputy director of the Central Intelligence Agency, went to Latin America for the Reagan Administration to try to convince friendly nations there that the Soviet bloc was deeply involved in supplying arms to Salvadoran rebels. He has since made an unknown number of other trips, but his comings and goings generally are not announced.

General Walters, who speaks eight languages, served as an interpreter for Presidents Truman, Eisenhower and Nixon and accompanied Vice President Nixon on his Latin American tour in 1957, when Mr. Nixon's car was stoned and spat upon in Venezuela.